

Why is Workplace Spirituality Important for Auditors?

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The purpose of this study is to investigate the importance of workplace spirituality for auditors. This study tries to deeply explain the benefits of having workplace spirituality in organisations, especially public accounting firms, in order to reduce level of stress of auditors and increase their performance. The methodology used in this study was literature study, which has purpose to explain thoroughly workplace spirituality for auditors. The findings of this study show that workplace spirituality is needed by public accounting firms in order to gain sustainable performance. Spiritual leadership theory, spillover theory, and goal-setting theory are adopted in this study. By understanding the benefits of workplace spirituality in more detail, the findings of this study are expected to give more insights for academics and practitioners (auditors) about the importance of workplace spirituality so that they can apply it in organisations.

Key words: *Workplace spirituality, work stress, work performance, auditor.*

Introduction

Auditors who work in public accounting firms or international accounting firms tend to have higher level of stress compare to those who work in other industries. It is because the auditors have limited time to finish their jobs, they need to be very capable to do their job, they also have high-risk responsibility, and so on. A high level of workloads will create work stress for auditors which can further impact their performance and audit quality. Furthermore, work stress can reduce auditor satisfaction during her/his assignment, increase the level of absenteeism and turnover (Gupta, Kumar, & Singh, 2014). Therefore, it is important for public accounting firms to take care of its employees which are the auditors, so that work stress will not be happened. According to Gupta, Kumar, and Singh (2014), spirituality is very useful to solve that problem. Workplaces that provide spirituality can give its employees peacefulness during their work because spirituality gives them positive vibes.

The benefits of workplace spirituality are actually provided for the employees themselves, which further increase the benefits for the whole organisation. According to Ashmos and Duchon (2000), workplace spirituality is the recognition that employees have an inner life, which is influenced by a meaningful workplace in the context of a community. It indicates that employees are facilitated to have a peaceful life which further encourages them to work better. Workplace spirituality (WPS) in general has certain purposes which are to increase meaningful work, sense of community, and value of organisation (Hassan, Nadeem, & Akhter, 2016). WPS integrates the essence of employees and their activities or task to enhance job satisfaction and commitment with the organization which then provides firmness to organisation and better performance. It is clear that there are mutual benefits between employees and their organisation when they can apply workplace spirituality in the organisation.

From the above explanation, it can be concluded that WPS is very important to be implemented in the organisation, especially in public accounting firms. However, it seems there is still no study that discusses it yet. Therefore, this study aims to explore the influence of WPS on auditor stress and performance. This study is expected to give more knowledge to the readers (academics and practitioners) about WPS for auditors because by understanding = WPS, the negative impact of work stress can be minimised, while performance can be maximised. Furthermore, the results of this study will be useful for practitioners especially partners or senior auditors in the accounting firm because they would know the usefulness of WPS so that they will create such kind of climate in the firm.

Literature Review

Spiritual leadership theory (Fry, 2003) explains that there are bounded factors that consist of values, attitudes, and behaviors that motivate individuals so that they could achieve spirituality life in calling and membership. This theory explains the relationship between a leader and its followers in terms of their needs, culture, and other organisational activities. In this study, spiritual leadership theory is used to understand the positive impacts of WPS for auditors. Besides, this study also adopted spillover theory (Diener 1984; Wilensky, 1960) which explained that spiritual values would enhance individuals' attitudinal outcomes that can be related to work. Individuals will satisfy their works so that there is no way for them to get stress and their work will be done well. Based on that, WPS is expected to reduce the impact of auditors' work stress on their performance. Goal-setting theory (Locke, 1968) is also applied in this study to explain the influence of work stress on performance. This theory is used because work stress does not always bring negative impacts on performance, but it may also increase individuals' performance at a certain level of stress. By elaborating those theories, this study tries to examine in more detail the relationship among WPS, work stress, and performance of auditors.

Workplace Spirituality

According to Giacalone and Jurkiewicz (2003, p. 13), WPS is “a framework of organisational values evidenced in the culture that promotes employees’ experience of transcendence through the work process, facilitating their sense of being connected in a way that provides feelings of compassion and joy”. It means that employees will be able to get valuable experience during their work. Besides, employees will also experience the peace, comfort, and happiness while working. By doing so, employees can avoid stress. In addition, they could work better. As explained by Yan and Xie (2016), auditors have a high level of work stress and they need to get spirituality in their workplace in order to deal with it. Yan and Xie (2016) added that auditor behavior will be better when they receive spirituality in their workplace.

Work Stress

Job stress or work stress is defined as any characteristics or situation in the workplace that threat individuals (Larson, 2004). Job stressors could be result from the lack of ability or sufficient resources to meet the job demands and job needs. It means that when the demand in the workplace is not balance with the capability of individuals, job stress occurs. For auditors, work stress occurs because they have limited time, human resource, high risk, and many others to do their works (Yan & Xie, 2016). The level of stress will be very high especially in the peak season which is from January to February. It is because the demand to complete the assignment with various requirements is much higher than the resource or ability that auditors have. During that time, auditors are extremely busy because their clients need to have the audit report for various reasons, including taxation purposes. Even so, auditors also get stress with their workloads for the remaining months. Although job stress can also create positive impact on individuals’ performance (Selye, 1976), the negative impacts of it are still dominants that can reduce physic and mental health, performance quality, and the whole organisation performance (Lu et al., 2010). Therefore, it is important for auditors to control their stress and solve these problems.

Work performance

According to Jurkeiwicz & Giacalone (2004), the impact of WPS in the organisation will strengthen the employees’ firmness and increase their performance. When the employees work in spiritual climate, they will have a good interconnectivity with their colleagues so that their team work will increase the overall performance. Besides, WPS provides employees with open-mindedness concept which means they can improve their creative thinking among employees (Robbins & Judge, 2015). In terms of auditors, performance can be seen from their auditing process and the report of it. When they can do auditing processes effectively,

efficiently and accurately, it means that their performance is good. In order to perform well, it is important for auditors to clear their mind and focus on their assignments without feeling burden or pressured. Feeling burden and pressured will create stress that can reduce their ability to analyse financial statement and such.

Discussions

Organisations nowadays admit that WPS has benefits. WPS connects the essence of employees with their task and activities that further develops their commitment toward the organisation and increases job satisfaction (Milliam, Czaplewski, & Fergous, 2003). Robbins and Judge (2015) mentioned the benevolence aspect of WPS which indicates that WPS concerns kindness and happiness of the employees and stakeholders. It means that WPS will give mutual benefits for both employees and organisations. WPS can also develop trust within employees (van der Walt & de Klerk, 2014) because it is characterised by mutual trust, honesty, and openness (Robbins & Judge, 2015). It is also because workplace climate makes the employees feel comfortable working with their colleagues.

Moreover, according to Dehaghi, Goodarzi, and Arazi (2012), in the spiritual value-based management model (Milliam et al., 1999), organisational spiritual values represent the philosophical views, priorities, and sense of purpose of the organisation. It will then shape the business and employees plans and goals which consist of specific direction and time frames. In this stage, the role of human resource management is very important. HRM practice will reinforce the plans and goals by developing and motivating the employees to implement a good behavior and high productivity in order to achieve organization goals. The outcome is that the organisation will get better performance, employee attitude, and spirituality. It is in line with spiritual leadership theory (Fry, 2003) and spillover theory (Diener 1984; Wilensky, 1960) which explained that individuals need to experience spirituality in the workplace which results mainly from the organisation in order to perform well. For auditors, WPS motivates them to implement good behavior so that the work climate becomes more conducive. Besides, WPS create high productivity for auditors so that the audit quality will also be good. Therefore, WPS is very important to be implemented in public accounting firms because it will increase the performance of auditors and the overall organisation. Based on that, this study proposes that:

Proposition 1: WPS positively influence performance of auditors

On the other hand, auditors who have high level of workload and stress, often find difficulties during their assignments. This is because they cannot focus to work and are more concern with the time and budget limit especially during peak session. Therefore, they a need supportive workplace to deal with these situations. Through spirituality in the workplace,

auditors will feel peaceful and comfortable to work so that the level of stress can be reduced. As explained by Yan and Xie (2016), the ways to cope with stress can be from the individuals' themselves, but mainly come from the firm where the auditors working. It indicates that accounting firms that can provide supportive and spiritual climate, will help its employees (auditors) to deal with their stress during their assignment. Spillover theory (Diener 1984; Wilensky, 1960) also stated that it is very important for the firms to develop such supportive (and spiritual) climate because it can help its employees (auditors) to deal with their stress. In more detail, auditors will have trust in each other as well as openness and honesty so that when one of them faces difficulties during working, the colleagues will be able to help. By doing so, at least the workload or physical difficulties can be minimised. Furthermore, peaceful workplaces can also relax auditors minds, which enables them manage their stress. It indicates that WPS can help auditor to reduce their level of stress. Based on that, this study proposes that:

Proposition 2: WPS negatively influence work stress of auditors

Furthermore, it has been well acknowledged that work stress will does not allow individuals to perform well. Actually, Selye (1976) explained that work stress can be classified as bad stress and good stress depends on its causes. Bad stress usually comes from from miserable, unpleasant, or annoying situations for example being judged by colleagues, too much workload, sudden job assignment, etc. Those factors will create stress that influence performance in bad ways. Meanwhile, good stress results from excitement or happy situation such as promotion or such. Getting a promotion as a result to do something will create good stress that encourages individuals to perform better. But still, there is a certain level of stress that individuals can tolerate in order to perform well as expected. It has been explained in Goal-setting theory (Locke, 1968) that individuals with more specific goals (high level of stress) will lead to better performance until a certain point. When the goals are too specific and higher than that point, individuals will get stressed because they are feeling threatened and pressured which produces poor work. In the public accounting firm, most of the employees are junior and senior auditors who work to audit their clients. In this case, the promotion (as a good stressor) may be rarely occur among them because they are still long way from a promotion. Therefore, most of them will experience bad stress which may diminish their actual ability in auditing. The impacts of work stress are not only on psychological but also physiological health (Cooper & Marshall, 1976). It means that when auditors get too much threats and pressures, they will get stressed which further reduces their health conditions. Auditors with mental and physic health low will difficult to work well. Thus, their performance will not be optimum. Based on that, this study proposes that:

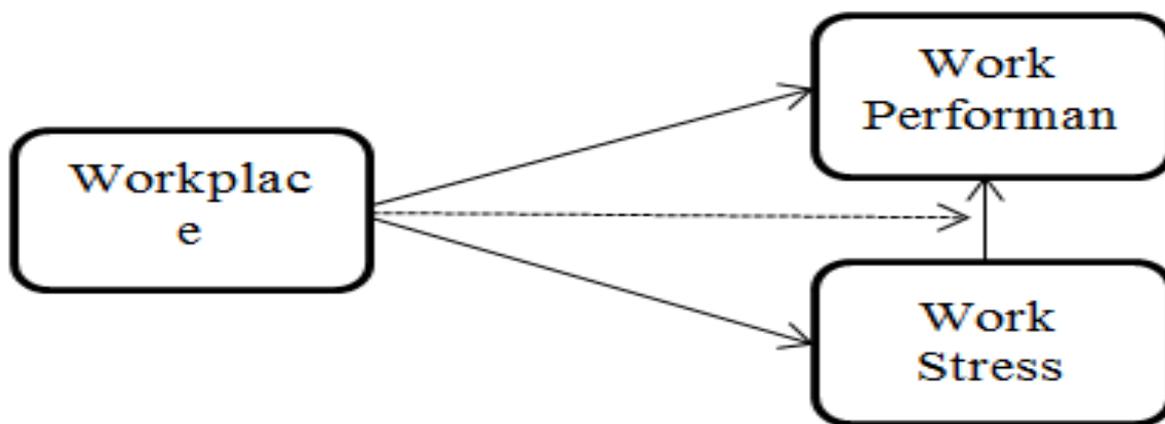
Proposition 3: Work stress negatively influence performance of auditors

Finally, WPS may be also served as the factor that can minimised the negative impacts of stress on auditor performance. It is because WPS can reduce the level of stress and also increase performance of the auditors. Thus, auditors will perform better with low level of stress. WPS that is provided by public accounting firm will help the auditors to reduce the impacts of stress they are facing on their performance. They would feel less stress so that they still can work as optimum as possible. In this case, of course the role of the firm is very important because providing WPS becomes one of their priorities. This statement is supported by spiritual leadership theory (Fry, 2003) and spillover theory (Diener 1984; Wilensky, 1960) which have the same idea. Based on that, this study proposes that:

Proposition 4: WPS weakens the negative influence of work stress on performance of auditors

From the above explanation, this study concludes that WPS has positive influence on work performance, WPS has negative influence on work stress, and WPS weaken the negative influence of work stress on work performance of auditors. The conceptual framework is shown in Figure 1.

Figure 1. Conceptual Framework



Finally, the analysis of this study gives contribution for academics and practitioners. For academics contributions, the results of this study can provide knowledge regarding workplace spirituality for auditors. Meanwhile, for managers of public accounting firms this study emphasises that workplace spirituality is very useful for both auditor as employees and overall public accounting firms.

Even though this study has explained the importance of WPS related to work stress and auditor performance, deeper investigation is needed for future study. An empirical study may also be conducted by future researchers to confirm the findings of this study. Developing specific measurement items of WPS related to auditor may be highly needed because until



now it seems like there is no specific measurement that is directly related to auditors. Meanwhile, spirituality may be different in every profession. Thus, future studies may try to develop it. Despite the limitations, this study shall generally enrich auditing literature.

Conclusion

In conclusion, there is a mutual benefit between employees and organization when WPS is implemented, particularly in public accounting firm where work stress level is high and high audit quality is needed. From employees' side, a meaningful workplace that provides positive atmosphere, facilitates having a peaceful life, comfort and happiness while working and thus the employees can avoid putting themselves under stress. Therefore, these environments encourage them to work better and increase their performance. From the organization's side, by implementing WPS creates spiritual environment to their employees. In these kinds of environments, their employees will value the organization and so strengthen employees' commitment to organization. It also can create good relationship and interconnectivity within their team member and thus will increase their overall job performance (i.e. audit quality).

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